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IN THE

Supreme Court of the United States

OCTOBER TERM, 1965.

No. 363

JOSEPH SAM PERRY,

Petitioner,

vs.

KARL ZYSSET AND NEW-NEL KITCHEN PRODUCTS COMPANY,

Respondents.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT.

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July 9, 1965.

THE GUNTHORP-WARREN PRINTING COMPANY, CHICAGO

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PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT.

Honorable Joseph Sam Perry, Judge of the United States District Court for the Northern District of Illinois, prays that a writ of certiorari issue to review the order entered by the United States Court of Appeals for the Seventh Circuit on April 19, 1965 issuing a writ of mandamus directed to him.

OPINIONS BELOW.

The mandamus order of which review is sought (p. 21, *post.*) was entered without opinion.

The opinion of the Court of Appeals for the Seventh Circuit rendered on June 3, 1963, directing the entry of

the final judgment out of which the present proceeding grows, is reported at 318 F. 2d 701, and is reproduced at page 23 ff., *post*.

GROUNDS OF THIS COURT'S JURISDICTION.

The mandamus order of which review is sought was entered on April 19, 1965. This Court has jurisdiction on certiorari by virtue of 28 U. S. C. § 1254 (1) and 28 U. S. C. § 2101 (c).

QUESTION PRESENTED.

Whether a Court of Appeals may use the peremptory writ of mandamus to prevent a District Court from holding a scheduled evidentiary hearing to determine whether its initial judgment of patent validity, subsequently affirmed by the Court of Appeals and made final, was procured by frauds upon the District Court and the Patent Office, where the District Court has made express findings that there are serious relevant issues of fact and law which require an evidentiary hearing and the Court of Appeals does not purport to overrule those findings.

STATUTES INVOLVED.

28 U. S. C. § 1651 (a):

The Supreme Court and all Courts established by Act of Congress may issue all writs necessary or appropriate in aid of their respective jurisdictions and agreeable to the usages and principles of law.

Rule 60 (b), Federal Rules of Civil Procedure:

"(b) Mistakes, Inadvertence; Excusable Neglect; Newly Discovered Evidence; Fraud, etc. On motion and upon such terms as are just, the court may relieve a party or his legal representative from a final judgment, order, or proceeding for the following reasons: (1) mistake, inadvertence, surprise, or excusable neglect; (2) newly discovered evidence which by due

diligence could not have been discovered in time to move for a new trial under Rule 59 (b); (3) fraud (whether heretofore denominated intrinsic or extrinsic), misrepresentation, or other misconduct of an adverse party; (4) the judgment is void; (5) the judgment has been satisfied, released, or discharged, or a prior judgment upon which it is based has been reversed or otherwise vacated, or it is no longer equitable that the judgment should have prospective application; or (6) any other reason justifying relief from the operation of the judgment. The motion shall be made within a reasonable time, and for reasons (1), (2), and (3) not more than one year after the judgment, order, or proceeding was entered or taken. A motion under this subdivision (b) does not affect the finality of a judgment or suspend its operation. This rule does not limit the power of a court to entertain an independent action to relieve a party from a judgment, order, or proceeding, or to grant relief to a defendant not actually personally notified as provided in Title 28, U. S. C. § 1655, or to set aside a judgment for fraud upon the court. Writs of coram nobis, coram vobis, audita querela, and bills of review and bills in the nature of a bill of review, are abolished, and the procedure for obtaining any relief from a judgment shall be by motion as prescribed in these rules or by an independent action. As amended Dec. 27, 1946, and Dec. 29, 1948, effective Oct. 20, 1949."

35 U. S. C. § 102: Conditions for patentability; novelty and loss of right to patent

A person shall be entitled to a patent unless—

* * * * * *

(f) he did not himself invent the subject matter sought to be patented, . . .

35 U. S. C. § 115: Oath of applicant

The applicant shall make oath that he believes himself to be the original and first inventor of the process, machine, manufacture, or composition of matter, or improvement thereof, for which he solicits a patent; . . .

STATEMENT OF THE CASE.

The action out of which the present mandamus proceeding grows was an action for infringement of a patent on a household vegetable chopper originally brought by Karl Zysset, a citizen and resident of Switzerland, against Popeil Brothers, Inc. On June 3, 1963, the Court of Appeals for the Seventh Circuit rendered its opinion in that case holding Claim 2 of the patent valid and infringed and awarding damages of $636,672.12. (318 F. 2d 701, p. 23, ff., *post.*)

On August 13, 1963, Petitioner, Honorable Joseph Sam Perry, Judge of the United States District Court for the Northern District of Illinois, pursuant to the Court of Appeals mandate, entered judgment against Defendant Popeil Brothers, Inc. in the amount of $636,672.12. (R. 1-2.) Subsequently he stayed the judgment to permit the filing of a petition for certiorari in this Court. (R. 25-26.) The petition for certiorari was denied on February 17, 1964, Justice Douglas noting his dissent that the writ should issue. 376 U. S. 913.

As a result of investigations conducted in Europe in the early part of 1964, Defendant Popeil Brothers, Inc. on April 21, 1964 filed a "Motion for Opportunity to Examine the Plaintiff Karl Zysset and for Relief from Judgment under Rule 60 (b) and for Other Relief," supported by affidavits of Swiss and American witnesses. (R. 29-44.) The Motion alleged:

(1) That Plaintiff Zysset, the owner of the patent, had committed a fraud upon the District Court at the time of the original trial by causing representations to be made that he had suffered a heart attack and was too ill to attend the trial and testify when in fact he never had suffered a heart attack and indeed was travelling all over Europe at the time of the trial; and

(2) That Plaintiff Zysset had made a false oath to the Patent Office that he was the actual inventor of the device in question when in fact, to his necessary knowledge, it had been invented by two other persons.

Zysset filed an answer to the Motion, supported by counter-affidavits. (R. 44-81.) On May 20, 1964, Petitioner entered an order which provided in pertinent part as follows:

> "This cause coming on to be heard . . . upon the Motion of Defendant for opportunity to examine the plaintiff Karl Zysset, for relief from judgment under Rule 60 (b), and for other relief, and the Plaintiff Zysset having filed a memorandum including affidavits and other material in opposition to Defendant's motion for opportunity to examine Karl Zysset, for relief from judgment under Rule 60 (b), and for other relief, and the Court having considered the said documents and evidentiary material filed in support of them and being mindful that it appears by representations of counsel for Zysset that since the filing of Defendant's motion for relief against Zysset, Zysset has been in Germany, and having considered the entire record herein including the representations made to the Court in 1958 as to Mr. Zysset's inability to travel,
>
> *Doth Find:*
>
> *That there are presently raised serious issues of fact and law as to possible imposition upon the Court and possible fraud and imposition upon the Defendant, the United States Patent Office, and the Court, upon which an evidentiary hearing should be held during which the Plaintiff Zysset should submit himself as an adverse witness for examination by Defendant in the presence of the Court;*
>
> Wherefore, It Is Ordered, Adjudged and Decreed:
>
> 1. That the motion of Defendant for opportunity to examine the Plaintiff Karl Zysset and for relief from judgment under Rule 60 (b) and for other relief, be set

for hearing before this Court at 10:00 A. M., July 29, 1964; that the Plaintiff Zysset be then and there present in court for examination as an adverse witness by counsel for Defendant, that the parties have leave to adduce additional evidence in support of their contentions upon such hearing." (Emphasis added.) (R. 86-88.)

Petitioner also continued in force the stay of execution on the judgment. (R. 87.) Subsequently, the date of the hearing was postponed to permit the serving of interrogatories on Zysset, who filed answers thereto. (R. 88-96, 106-143.) A rule was entered on Zysset to make further answers to certain interrogatories (R. 153-155), and he filed additional answers. (156-164.) He also presented certain additional affidavits and factual materials. (R. 103-106.)

On December 4, 1964, while re-setting the date of the evidentiary hearing, Petitioner commented upon the evidentiary materials which were before him with respect to Zysset's health as follows (R. 269, 270):

> "I am thoroughly convinced that this Court was imposed upon by the plaintiff; and I thoroughly believed he was sick, nigh unto death at that time, in 1958, I believe it was, when the case was tried. I thoroughly believed that he was; and not only now do I find from the facts that he was not, but that he was traveling all over Europe. Therefore, certainly, had I known that I would have required him to be present here as plaintiff to prove his case and to subject himself to cross-examination . . .
>
> As I now know it, he is well able to travel, does travel all over Europe in his business and he is able to come here. If he is the plaintiff and has got a $800,000 judgment against these people, and he got this $800,000 judgment, roughly that, and pleaded he was not able to testify, sending his son here, who said he did not know anything about this invention and was probably in all likelihood—I am convinced, tell-

ing the truth—I think he did—we now have an issue before us that was not there. Had I known it, I certainly would never have entered any judgment, any finding of fact in favor of the plaintiff, without a full hearing of the rights that are raised here, as to whether or not he is the true inventor. I would not have done it and it is never too late to correct fraud.

So far as I am concerned, your client committed a fraud upon the Court when he made the affidavits that he did that he was not able to come here; and now I am convinced from what I see in the record that it was not true; that he was able to be here.

You have been honorable. You have done everything you could in this matter, but your client has misled you. He has misled this Court and everybody else. I will not dispose of this matter without his presence.

* * *

He was very shrewd. He did not do it himself. He had it done, which is much smarter than the man who lays himself open and does it himself. He had it done. He imposed upon you. He imposed upon his lawyers over there and he imposed upon his doctors.

This record is too clear for me. The only order I will enter is one fixing the time for hearing this whole matter, at which everybody should be present and each side should notify the other persons whom they wish to bring as witnesses."

On January 4, 1965, Petitioner entered an order setting the evidentiary hearing for May 10, 1965. (R. 164.)

Thereupon Respondents filed a petition for mandamus in the Court of Appeals for the Seventh Circuit, under 28 U. S. C. § 1651(a), seeking to restrain Petitioner from proceeding any further. (R. 1-164.) The principal ground of the Petition for Mandamus was that since the final judgment for $636,672.12 had been entered pursuant to

a mandate of the Court of Apepals, Petitioner had no jurisdiction to conduct the proposed hearing without first seeking and receiving leave of the Court of Appeals to do so. Petitioner filed his answer to the Petition for Mandamus (1) asserting that he had inherent power, without prior leave of the Court of Appeals, to conduct an investigation into whether a fraud had been committed upon him, and (2) requesting leave to proceed with the hearing if the Court of Appeals felt such leave was necessary. In support of the latter request, Petitioner presented to the Court of Appeals the complete record of the evidentiary materials which had been presented to him. (R. 248-286.)

On April 19, 1965, the Court of Appeals, without permitting oral argument and without opinion, entered the mandamus order of which review is sought. (R. 334, p. 21, *post.*) This order commanded Petitioner (1) to vacate the stay of execution on the judgment, (2) to vacate the order setting the matter for hearing on May 10, 1965, and (3) to take no further proceedings except to execute and enforce the judgment. The mandamus order did not refer to Petitioner's request for leave to proceed with the hearing.

As a result of the Court of Appeals' order, the hearing set for May 10, 1965, has never been held; the serious issues of fraud which the District Court has found as a fact to exist will never be determined unless certiorari be granted.

REASONS FOR GRANTING THE WRIT.

THE COURT OF APPEALS HAS SO ABUSED ITS DISCRETION IN A CASE INVOLVING THE INTEGRITY OF THE FEDERAL COURTS AND OF THE PATENT SYSTEM AS TO CALL FOR AN EXERCISE OF THIS COURT'S POWER OF SUPERVISION.

The Court of Appeals here used the peremptory writ of mandamus to stifle and abort a District Judge's effort, based upon a preliminary evidentiary showing and admissions in interrogatories, to investigate a fraud practiced upon him and upon the Patent Office. The Court of Appeals order is *not* one which holds, after normal appellate review, that the facts adduced upon a full hearing before the District Court fail to establish the fraud claimed. Rather it is one which *forbids* that such a hearing be held at all. And it does so without explanation, without overruling the District Court's preliminary findings as to the need for a hearing, and without any apparent consideration of, or concern with the facts on which such finding was based. Such an arbitrary and unhealthy exercise of power on issues of deep gravity to the integrity of federal courts and of the patent system, calls for an exercise of this Court's power of supervision.

A.

The Facts Before the District Court.

At the time he set the matter for hearing, Petitioner had before him the affidavits presented by Defendant in support of its motion, counter-affidavits of Plaintiff Zysset, and Zysset's answers to interrogatories with respect to

the fraud. He also had before him the entire record of the trial and pre-trial proceedings in the original case, over which he had presided.

Viewing all of these evidentiary materials most favorably to Defendant—as Petitioner was required to do to determine whether a hearing should be held—the following facts were shown:

1. Zysset Was Well Able to Travel to the United States and Undergo Cross-Examination in 1958.

(a) Prior to the original trial, which commenced in July, 1958, Defendant's then counsel showed why Zysset's testimony was vital[1] and requested the Court to require Zysset to be present and testify on the date of the trial. (R. 57.)

(b) Zysset's counsel orally represented that Zysset had had a heart attack and was unable to travel to the United States, and he presented a doctor's certificate. In context it is apparent that Petitioner and counsel for both sides then believed Zysset might die if required to attend and testify. (R. 57-58.)

(c) Petitioner "believed he (Zysset) was sick, nigh unto death," (R. 269) and that it would be "futile for me to attempt to do anything about it under those circumstances." (R. 58.) Accordingly, Petitioner did not order Zysset to appear and testify. (R. 60.)

(d) But in fact Zysset, *by his own admission* in answers to interrogatories in 1964, never had a heart attack; the only ailment from which he ever suffered between

1. Counsel stated to the Court: "Put yourself in our position, where all of the prior use, all of the invention, all of the models, all of the publication, all of the inventor's activity, and all of the inventor's confreres are across the Atlantic Ocean. There is absolutely not one shred of evidence in the States of the type that is used in defending a patent case." . . . "The patent speaks for itself, your Honor, but the defenses do not." (R. 54, 59.)

July, 1957 and the present time was a form of arthritis, and that ailment did *not* prevent him from travelling. (R. 71, 108, 156.)

(e) From February 1957 to at least July, 1958, Zysset carried a normal work load and was in no way handicapped or impeded in his travel. (R. 42-44.)

(f) In no month since July, 1957 did Zysset fail to drive his own automobile. (R. 109.)

(g) In March on April 1958, he drove his own car from Lyss, Switzerland to Cologne, Germany to attend a trade fair. (R. 43.)

(h) In May, 1958, he attended a trade fair in Bern, Switzerland, drove his own car to a summer residence at Lake Geneva, and was seen drinking at a hotel in Bern. (R. 43.)

(i) In September, 1958, he attended another trade fair in Cologne, Germany and has regularly attended trade fairs in Germany and Italy. (R. 44, 111-113.)

(j) He twice claimed, in answer to interrogatories, that he cannot remember the instances since July 1957 when he travelled outside the borders of Switzerland. (R. 111, 157-158.)

(k) In January, 1965, *after* Petitioner had entered his order setting Defendant's motion for relief for hearing on May 10, 1965, Zysset filed a suit in Switzerland against one of the witnesses who had given an affidavit in the present proceedings concerning Zysset's health in 1958, claiming damages from the witness because of his having given the affidavit. (R. 275, 277-278.)

2. Two Employees of Zysset, Rather Than Zysset, Invented the Device in Question.

(a) Defendant attempted to ascertain at the original trial whether Zysset had in fact invented the device on which he secured an American patent. (App. No. 12492, C. A. 7, p. 165, R. 238.) However, it was frustrated in its attempts to do so by inability to go behind misleading interrogatory answers and cross-examine the alleged inventor himself.[2]

(b) Accordingly, no evidence was introduced on the question of who invented the device, and neither the District Court nor the Court of Appeals passed thereon or made any findings with respect thereto. 167 F. Supp. 362, 276 F. 2d 354.

(c) In fact, one Werner Burkhalter conceived and disclosed to Zysset every element comprising the automatic rotation feature of the device comprising Claim 1 of the patent, in sufficient detail to enable a skilled mechanic to construct it without further inventive skill. (R. 39-42.)

(d) The patent examiner would not have granted Claim 2 had he known Zysset did not invent Claim 1. (R. 242, App. Nos. 13939-40, 14007, C. A. 7, pp. 256-276.)

(e) In fact, one Wilhelm Joss conceived and disclosed to Zysset the crucial element necessary to make the combination claimed in Claim 2 operable, and also the structural inter-relationship between the various elements of the combination of Claim 2. (R. 37-39.)

(f) Zysset subscribed an oath before the United States Patent Office, as required by 35 U. S. C. Sections 102 (f) and

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2. In answers to interrogatories in the original case, Zysset maintained that *he* began work on the invention in 1951, that *he* made the models and the first sketches and that he examined certain prior art "before *my* invention." The answers excluded anyone else from participation in the invention. (Interrog. 10, 13 and 15, App. No. 12492, C. A. 7, pp. 8-9, R. 237-238.)

115, that "I verily believe I am the original, first, and sole inventor of the invention" claimed in his application. (R. 238.)

(g) Zysset *knew* that this oath was false and appreciated its seriousness because he admitted in answers to interrogatories in 1964, "I was absolutely clear about the significance and form of the oath." (R. 114-115.)

(h) In January, 1965, *after* Petitioner had set the matter for hearing on May 10, 1965, Zysset filed a proceeding in Switzerland for the "precautionary taking of evidence" against a Swiss patent attorney, one Bovard, whom he admits had nothing to do with the filing of the United States application (R. 113-114), alleging that he was not properly advised by Bovard as to United States law (which requires the applicant to be the actual inventor) and that if he should lose his U. S. patent because Burkhalter and/or Joss were the inventors, Bovard would be liable to him in damages. In this proceeding he issued witness subpoenas for Burkhalter, Joss, Hemund, and Deveaux, each of whom gave an affidavit in the instant proceeding. (R. 278-280, 282-283, 300-301.)

(i) On February 19, 1965, the presiding judge in the Swiss action issued a letter stating that with respect to Zysset's action for the precautionary taking of evidence against Bovard "there really seems to be prosecuted a subordinate aim," namely, to "be used afterwards in a suit against Popeil Brothers, Inc. in the U. S. A.," and that "the precautionary taking of evidence may not be misused." Zysset was thereupon asked to withdraw his Swiss action. (R. 303-304.)

B.

The Law Applicable to the Facts.

1. Petitioner's Power to Inquire Into the Fraud.

Petitioner had the power notwithstanding that he had entered a final judgment pursuant to mandate of the Court of Appeals, to inquire into fraud practiced upon him in the procurement of that judgment. All courts have inherent power, antedating the Federal Rules of Civil Procedure, and specifically preserved by Rule 60 (b),* to inquire into and grant appropriate relief from fraud committed upon the Court. *Hazel Atlas Glass Co.* v. *Hartford Empire Co.*, 322 U. S. 238, 244-245 (1944); *Universal Oil Co.* v. *Root Refining Co.*, 328 U. S. 575, 580 (1946); *Root Refining Co.* v. *Universal Oil Products Co.*, 169 F. 2d 514, 518, 521-522 (3rd Cir. 1948). The power belongs exclusively to the Court upon which the fraud was practiced, *Hazel Atlas Glass Co.* v. *Hartford Empire Co.*, 322 U. S. 238, 249-250 (1944); *Universal Oil Co.* v. *Root Refining Co.*, 328 U. S. 575, 580 (1946), and in the case of fraud practiced upon a District Court, that Court need not first seek leave of the Court of Appeals even where the latter's mandate has come down. *Kingsbury* v. *Buckner*, 134 U. S. 650, 670 (1890); *Brady* v. *Beams*, 132 F. 2d 985, 986-987 (10th Cir. 1942); see also *Pacific R. R. of Missouri* v. *Missouri Pacific Ry. Co.*, 111 U. S. 505 (1884); *Nelson* v. *Meehan*, 155 Fed. 1 (9th Cir. 1907).

However, it is not important whether Petitioner was required to seek leave of the Court of Appeals to proceed with the hearing or not, for in his Answer to the Petition for Mandamus he in fact asked such leave if it should be deemed necessary. Petitioner laid before the Court of

* Rule 60 (b) . . . "This rule does not limit the power of a court . . . to set aside a judgment for fraud upon the Court."

Appeals all the evidentiary materials which had been presented to him in connection with Defendant's motion for relief, together with his own findings that serious issues of fact and law were presented and that a full hearing was necessary. Both the Fourth Circuit and the Seventh Circuit itself have held under similar circumstances that the proceedings in the Court of Appeals should be treated as a request by the District Court for leave to consider the motion for relief from judgment. *Tribble* v. *Bruin*, 279 F. 2d 424 (4th Cir. 1960); *Geuder, Paeschke & Frey Co.* v. *Clark*, 288 F. 2d 1 (7th Cir. 1961.)

2. Zysset's Fraud on the Court Regarding His Health.

The fact that Zysset initially deceived the Court about his health to forestall having to submit to cross-examination would, without more, have justified stripping him of his judgment. Conduct which defiles the Court's processes has long been held to require depriving the guilty party of any judgment obtained, *irrespective* of whether it is shown the result of the litigation would have been different had the misconduct not occurred. *Hazel Atlas Glass Co.* v. *Hartford Empire Co.*, 322 U. S. 238 (1944) (spurious article exhibited to Court; judgment vacated without regard to whether article exerted material influence on court); *Root Refining Co.* v. *Universal Oil Products Co.*, 169 F. 2d 514 (3rd Cir. 1948) (improper influence of one of three judges on a unanimous panel; no showing result would have been different had judge not been improperly influenced); *American Safety Table Co.* v. *Singer Sewing Machine Co.*, 169 F. 2d 514, 535 (3rd Cir. 1948) (attorney retained for purpose of improperly influencing judge; no showing that he actually succeeded); *Keystone Driller Co.* v. *General Excavator Co.*, 290 U. S. 240 (1933) (corrupt bargain to suppress evidence damaging to patent; guilty party precluded from relying on judgment

without regard to whether suppressed evidence would have changed the result). Moreover if materiality were requisite, it was shown, since Zysset's health fraud shielded him from cross-examination and enabled him to suppress the fact he had not invented the device covered by his patent.

3. Zysset's False Oath Before the Patent Office.

Zysset's false oath before the Patent Office that "I verily believe I am the original, first, and sole inventor of the invention" described in his application would equally require Zysset to be stripped of his judgment.

Whatever the law of Switzerland, a United States patent may not be issued unless the applicant is the original and first inventor, 35 U. S. C. 102 (f). A patent erroneously issued on the application of one not the original and first inventor is void. *Kennedy* v. *Hazelton,* 128 U. S. 668 (1888); *International Carrier-Call & Television Corp.* v. *Radio Corporation of America,* 142 F. 2d 493 (2d Cir. 1944). The oath prescribed by 35 U. S. C. 115 and Rule 65 and Form 11 of the Rules of Practice of the Patent Office are more than ceremonial; they are designed to implement this Congressional requirement.

To be the original and first inventor of a device, it is not sufficient that one merely conceived a desired result or objective, or even some generalized means for accomplishing it. One must conceive the specific means or device, as described in the claims, for accomplishing it, and must conceive it in sufficient detail so that one skilled in the art can, without further inventive powers but solely with mechanical skill, construct the device. *Agawam Co.* v. *Jordan,* 7 Wall. (74 U. S.) 583, 602-603 (1868); *Standard Cartridge Co.* v. *Peters Cartridge Co.,* 77 Fed. 630, 645 (6th Cir. 1896); *Land* v. *Dreyer,* 155 F. 2d 383, 387 (C. C. P. A. 1946); *International Carrier-Call & Television Corp.* v. *Radio Corporation of America,* 142 F. 2d 493, 496 (2d Cir. 1944).

The facts presented to Petitioner unless overturned on full hearing, would have justified him in Finding (1) Zysset was not the inventor of Claim 1, since Werner Burkhalter brought to him and disclosed in sufficient detail every element of the means for accomplishing the automatic rotation result Zysset desired, and (2) Zysset was not the inventor of Claim 2 since Wilhelm Joss conceived and disclosed in sufficient detail the structural interrelationship of elements in Claim 2 and the element necessary to make the combination operable. Petitioner would have further been justified in finding not only that Zysset's oath was false, but that he *knew* it to be false, since he conceded he was "absolutely clear about the significance and form of the oath." (R. 114-115.) Moreover, even if the oath had been false as to only one of the Claims, the fraud would, under the clean hands doctrine, require denial of all relief under the patent, even as to those claims of which he was the inventor. *Keystone Driller Co.* v. *General Excavator Co.*, 290 U. S. 240 (1933); see also *Precision Instrument Mfg. Co.* v. *Automotive Maintenance Machinery Co.*, 324 U. S. 806 (1945).

4. The Issues Before the Court of Appeals.

Assuming arguendo that leave of the Court of Appeals was necessary to enable Petitioner to proceed with the hearing, the *only* issue before the Court of Appeals was whether all of the evidentiary material presented to Petitioner constituted a sufficient preliminary showing to justify his order for a full hearing. In passing on this issue, the Court of Appeals was required to give considerable weight to Petitioner's findings, since he presided throughout the trial of the case and was the one upon whom the fraud was practiced.

Petitioner made preliminary findings that he *had* been deceived and imposed upon by Zysset, and that there *were*

serious issues of fact and law which required a full hearing. The facts indicate that Petitioner, with due regard for the integrity of federal courts, could hardly have made any other finding.

The Court of Appeals however, evidently did not regard Petitioner's findings as entitled to any consideration or weight. It *ignored* Petitioner's clear findings and *ignored* Petitioner's request for leave to proceed. Petitioner's findings stand unreversed and unmodified.

C.

The Importance of This Case.

In light of the foregoing facts, Petitioner's findings thereon, and the applicable law, the Court of Appeals mandamus order, entered without opinion, without benefit of oral argument, and without either criticism or overturning of Petitioner's findings, is naked *fiat*. It is important that this Court review the case for several reasons:

First, because if the Court of Appeals means to hold (as its peremptory order would indicate) that once its mandate goes down a District Court is powerless to inquire into and correct antecedent fraud practiced upon it, then the Court of Appeals has crippled the entire federal court system, leaving the courts "mute and helpless victims of deception and fraud." *Hazel Atlas Glass Co.* v. *Hartford Empire Co.*, 322 U. S. 238, 246 (1944).

Second, because if the Court of Appeals has *sub silentio* weighed the evidentiary materials presented to Petitioner and decided that fraud has not been sufficiently established, it has so grossly abused the limited office of the writ of mandamus as to call for correction. Mandamus may not be used as a substitute for an appeal, *State of Maryland* v. *Soper*, 270 U. S. 9 (1926); *Ex Parte Harding*, 219 U. S. 363

(1911). And even upon appeal a Court of Appeals is not at liberty to arrogate to itself the function of weighing and determining evidence in total disregard of a District Court's stated findings be they on the ultimate merits or on the need for a more thorough hearing before determining the merits.

Third, the very fact that the Court of Appeals pointedly failed to state any reasons for its most unusual action is alone sufficient to require corrective action. This Court has made it clear that adjudicative action can be properly reviewed only where the adjudicating body makes proper findings and explains the reasons for its decision. *Securities and Exchange Commission* v. *Chenery Corporation,* 318 U. S. 80 (1943). Courts of Appeals should not be permitted to take drastic and peremptory action of complete finality as was abruptly taken here wholly without explanation, findings, or rationale.

And fourth, the result of the Court of Appeals order is to shield a party who has been preliminarily found to have abused the processes of a District Court, and to perpetuate upon the public a patent monopoly preliminarily shown to have been procured by fraud. This Court has recognized that "there are issues of great moment to the public in a patent suit," *Hazel Atlas Glass Co.* v. *Hartford Empire Co.,* 322 U. S. 238, 246 (1944). Just last Term it granted certiorari in a case in which the Solicitor General expressed concern with the incidence of fraud upon the Patent Office and urged the development of a private damage remedy for fraudulent procurement and maintenance of a patent. *Walker Process Equipment, Inc.* v. *Food Machinery and Chemical Corporation,* No. 602, O. T. 1964.

CONCLUSION.

The writ of certiorari should be granted to review the Court of Appeals mandamus order. Alternatively, the Court should grant certiorari, summarily reverse the Court of Appeals order, and remand the case to that Court with directions to deny the Petition for Mandamus or else with directions to explain the bases of its decision in sufficient detail to enable this Court to review.

Respectfully submitted,

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July 9, 1965.

APPENDIX.

The Mandamus Judgment of Which Review Is Sought.

UNITED STATES COURT OF APPEALS.

For the Seventh Circuit,

Chicago 10, Illinois.

April 19, 1965.

Before

Hon. Elmer J. Schnackenberg, Circuit Judge,
Hon. Latham Castle, Circuit Judge,
Hon. Roger J. Kiley, Circuit Judge.

KARL ZYSSET and NEW-NEL KITCHEN PRODUCTS COMPANY, *Petitioners,* vs. HON. JOSEPH SAM PERRY, *Respondent.*	Original Petition for Writ of Mandamus.
No. 14976	

This matter comes before the Court on the answer of the Honorable Joseph Sam Perry, respondent, to the rule to show cause heretofore issued herein on February 2, 1965, and the reply of petitioners, Karl Zysset and New-Nel Kitchen Products Company, to said answer;

And, on consideration of the petition for writ of mandamus; the memorandum in support thereof; the respondent's reply to the rule to show cause why the writ should not issue; the argument submitted in support thereof, and the transcripts, exhibits, and affidavits submitted there-

with; and the reply of the petitioners, and affidavits and exhibits submitted therewith;

It Is Ordered that a writ of mandamus issue forthwith commanding and directing the United States District Court for the Northern District of Illinois, Eastern Division, and the Honorable Joseph Sam Perry, judge of said District Court, respondent, to vacate the stay of execution entered October 7, 1963, in Civil Action No. 57-C-763 (Karl Zysset and New-Nel Kitchen Products Company, Plaintiffs, *vs.* Popeil Brothers, Inc., Defendant); to vacate the order entered in said cause on January 4, 1965, requiring the attendance of Karl Zysset, plaintiff therein, before said court on May 10, 1965, and permitting the taking of depositions or further testimony in said cause on the matter of the validity of Patent No. 2,782,826; and commanding and directing that no further proceedings be taken in said cause except to execute and enforce the final judgment entered therein pursuant to the mandate of this Court.

(The Court of Appeals Opinion Directing the Judgment Out of Which the Mandamus Proceeding Grew.)

(7 Cir., 318 F. 2d 701, 137 USPQ 694).

ZYSSET ET AL., *v.* POPEIL BROTHERS, INC.

Nos. 13939, 13940, 14007

June 3, 1963

[Paragraph Numbers Supplied]

Before SCHNACKENBERG, CASTLE, and KILEY, *Circuit Judges.*

CASTLE, *Circuit Judge.*

[1] Karl Zysset, patentee, and New-Nel Kitchen Products Company, his licensee, sued Popeil Brothers, Inc., for infringement of Zysset Patent No. 2,782,826. A trial restricted to the issues of validity of the patent and its infringement resulted in a judgment for the plaintiffs entered in October 1958. Defendant's appeals from that judgment, and from the District Court's denial of a subsequent motion for relief therefrom on the basis of newly discovered evidence, were considered by this Court in *Zysset* v. *Popeil Brothers, Inc.*, 7 Cir., 276 F. 2d 354, 124 USPQ 250, cert. den., 364 U. S. 826, 127 USPQ 555. A detailed description of the Zysset device, a vegetable shredder or chopper, and its manner of operation, together with the claims of the patent, are set forth in that opinion (pp. 355-356, 124 USPQ at 250-251) and need not be repeated here. This Court affirmed,[1] except as to claim

1. Opinion filed February 11, 1960; modified and rehearing denied April 14, 1960, 125 USPQ 162; mandate issued May 18, 1960.

1, the judgment order of the District Court finding the Zysset patent to be valid and infringed and enjoining the defendant from further infringement.

[2] On the subsequent trial of the issue of plaintiffs' damages, and of the defendant's counterclaim for breach of contract and unfair competition, the District Court awarded judgment for the plaintiffs for $182,325.38, representing $126,103.12 for damages and $56,222.26 for plaintiffs' attorneys' fees and disbursements, and for costs. The judgment was entered July 13, 1962.

[3] Prior to the trial of the issue of plaintiffs' damages the defendant on December 29, 1960, filed a motion[2] seeking that the accounting which the District Court had ordered be terminated and that a final judgment be entered for nominal damages. This motion was grounded on the contention that claim 2, the remaining claim of the patent in suit, lacked novelty and patentable invention over Wilson & McCallay Patent No. 207,146, presented as a newly discovered prior-art reference. The motion was heard on its merits and denied.

[4] Both plaintiffs and defendant appealed from the July 13, 1962 judgment. Subsequently, on November 5, 1962, the defendant filed in the District Court a second motion for relief from judgment on the basis of certain Swiss patents presented as newly discovered evidence of prior art invalidating the Zysset patent.[3] The motion was denied.

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2. The motion although captioned "Motion For Mitigation Of Damages Or For Application Of The Rule *De Minimus Non Curat Lex*" was on defendant's motion treated as a motion under Rule 60(b) (2), Federal Rules of Civil Procedure (28 U. S. C. A.), for relief from the October 1958 judgment of validity and infringement.

3. The motion prayed for issuance of a certificate to this Court requesting a remand of the cause pursuant to the procedure outlined in *Binks Mfg. Co.* v. *Ransburg Electro-Coating Corp.*, 7 Cir., 281 F. 2d 252, 260-261, 126 USPQ 318, 326.

[5] Plaintiffs on their appeal (No. 13939) contend that the damages awarded are inadequate. Defendant on its cross-appeal (No. 13940) and on its appeal (No. 14007) contends that the court erred in denying the defendant's respective motions for relief from judgment on the basis of newly discovered evidence—erred in not holding claim 2 of the Zysset patent invalid—and, in any event, that the court erred in awarding attorneys' fees and disbursements, and costs, to plaintiffs.

[6] Contrary to the interpretation defendant seeks to place on *Zysset* v. *Popeil Brothers, Inc., supra,* upon which faulty premise defendant bases the relevancy of its newly cited prior-art references, it is abundantly clear that it is the single-piece sinuous blade in combination with the sinuous slot of the wiper cup, the housing, indexing feature and torsion clutch, all of which are included in claim 2, which was held to constitute patentable invention.

It is the *combination* which was held valid and infringed —not any particular element thereof, *per se.* In *Zysset* v. *Popeil Brothers, Inc.,* it was pointed out (276 F. 2d 354 at 357, 124 USPQ 250, 252) that the sinuosity of the blade and slot in the wiper cup was an important element in the "combination claimed in the patent" and that:

> "It eliminated the problem of particles wedging between multiple blades without loss of the advantage of the additional chopping surfaces, and in *combination* with the indexing feature produced a result beyond that of mere mechanical improvement over existing art. A novel idea was incorporated. While it took mechanical skill to adapt the idea to practical use, and although the mechanics employed may have been obvious, the idea was not. It possessed the 'impalpable something which distinguishes invention from simple mechanical skill.' *Great Atlantic & Pacific Tea Co.* v. *Supermarket Equipment Corp.,* 340 U. S. 147, 71 S. Ct. 127, 129, 95 L. Ed. 162, 87 USPQ 303, 305." (Emphasis supplied.)

[7] We deem it unnecessary for the purposes of this case to consider or pass upon the propriety of the District Court's action in entertaining the defendant's motions of December 29, 1960 and November 5, 1962, either from the standpoint of their timeliness under the limitations of Rule 60(b),[4] or in view of the previous mandate of this Court affirming the validity of the patent claim the motion attack anew. Apart from such considerations we are not persuaded by defendant's contentions that its failure to produce the newly cited prior-art references at the 1958 trial on the issue of validity was not due to lack of diligence on its part. But more important we perceive nothing in this newly tendered prior art which requires a change in the original conclusions of law and judgment with respect to the validity of claim 2 of Zysset Patent No. 2,782,826.

[8] The newly cited prior-art reference relied upon in connection with defendant's December 29, 1960, motion is Wilson & McCallay Patent No. 207,146 covering a device for use in cutting plug tobacco during the process of manufacture, the object being to cut pieces of plug tobacco in a zigzag or curved form to facilitate the adherence of the sections one to another when subjected to pressure in the finishing process and to enable consumers to identify the manufacturer by the shape of the pieces. Curved or zigzag knives were employed in the cutter-head, and between them correspondingly-formed clearing plates. After a cut is made the pieces are separately covered with a wrapper and then brought together under pressure to form a single plug which can be broken apart for the retail trade. Except for disclosing a sinuous type of knife blade Wilson & McCallay is no better a prior-art reference than those originally cited, and considered and rejected,

4. Cf. *Marconi Wireless Telegraph Co.* v. *United States,* 320 U. S. 1, 47-48, 57 USPQ 471, 491.

in *Zysset* v. *Popeil Brothers, Inc., supra.*[5] Its disclosure of a sinuous blade and a clearing plate is not an anticipation of the *combination* of Zysset. Nor is Wilson & McCallay addressed to either the purpose or problems of Zysset. It uses a plurality of knives in a single cutting operation to obtain pieces of desired shape so that they will adhere when re-united and when eventually re-separated will serve to identify the product. It is not a shredder or chopper using a single sinuous blade in repeated cutting operations, each from a different position than the previous cutting stroke, and incorporating the combination of features which endowed Zysset with the quality of invention over the separate elements employed.

[9] The newly cited prior-art references now relied upon by defendant in connection with its November 5, 1962, motion consist of Galant, Swiss Patent No. 261,313 and Hofmann, Swiss Patent No. 265,458.[6] Neither of these discloses or anticipates the *combination* of Zysset. Galant, a fruit and vegetable cutter, and Hofmann, an onion chopper, each disclose a wiper or brush-off plate through which operate multiple straight blades set at an angle to each other. Except for disclosure of a wiper they are no better prior-art references than those originally relied upon.

[10] Defendant's contentions with respect to the disclosures of Wilson & McCallay, Galant and Hofmann are predicated upon its faulty assumption that it is one element, or something less than the whole of the combined elements, which is relied upon in Zysset to constitute patentable invention. And such is not the case.

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5. See 276 F. 2d 354, pp. 356-357, 124 NSPQ 250, 251, for prior-art references considered and rejected.

6. Defendant's motion also tendered Piller, Swiss Patent No. 272,785 as newly discovered evidence but defendant abandoned such assertion when it was revealed that it had been cited in an interrogatory answer filed by plaintiff Zysset in May 1958. Piller, an onion cutter, like Galant and Hofmann, had a wiper but the multiple blades were slightly curved.

[11] On the question of defendant's diligence in the discovery of these belated references it is noted that all three of the newly cited patents are shown by the record to be classified, and copies thereof physically present, in the same Patent Office classification, Class 146, Sub-class 160, as Zysset Patent No. 2,782,826. Defendant attempts to negate lack of diligence on its part in connection with its failure to originally cite Galant and Hofmann by reference to an affidavit by a Washington, D. C., patent attorney that although Galant was received in the Patent Office in 1949 and Hofmann in 1950, the affiant, in 1962, could find no reference in the routing records of the Patent Office Library to show that they had been referred to Division 5 which issued the patent in suit although they were then in the files of such Division. But the lack of a record of such routing does not serve to establish that these two Swiss patents were not available in Class 146, Subclass 160 and that a proper search prior to the 1958 trial on the issue of validity would not have revealed them. It does not serve to excuse what in its face shows lack of diligence on defendant's part in so far as discovery of this particular, although worthless, prior art is concerned. Defendant offers no valid reason to excuse its apparent lack of diligence with respect to the discovery of Wilson & McCallay, similarly a reference of no import. As to Wilson & McCallay, defendant appears to rely on the faulty premise that it was not until the opinion of this Court in *Zysset* v. *Popeil Brothers, Inc.*, 276 F. 2d 354, 124 USPQ 250, that Wilson & McCallay became of significance. But such argument falls with the premise, heretofore demonstrated unsound upon which it is based.

[12] We perceive no error in the District Court's denial of defendant's motions for relief from judgment. We proceed to consideration of the issues presented in

connection with the damages awarded and the allowance of attorneys' fees and costs.

[13] A statement of account filed by the defendant pursuant to order of the District Court discloses that it manufactured and sold 3,152,578 infringing food choppers. The dollar amount of such sales is stated to be $2,981-464.70. On the basis of cost items set forth in the statement of account the court found that the net profit accruing to the defendant from the manufacturer and sale of infringing devices was $455,293.01, in the computation of which amount deductions as costs, objected to by the plaintiffs but allowed by the court, were made in the amount of $42,830.59 representing expenses incurred by defendant for attorneys' fees and disbursements in this litigation, $109,192.44 representing a proportionate allocation to the infringing products of the compensation paid to defendant's officers, and $29,356.08 representing a loss sustained by the defendant in connection with the sale of the infringing devices during the period commencing August 1, 1959, and terminating February 12, 1960. Although all three deductions were allowed by the court in its findings, in its conclusions of law the court concluded that a "defendant's costs of litigation, * * * and salaries of officers in a closely held corporation are not properly deductible in arriving at the net profits".

[14] The District Court found that an award to plaintiffs based only upon a reasonable royalty would be in conformity with the law; that upon the basis of the testimony a fair royalty payment would be 4 cents for each of the infringing devices sold by defendant; and that an award to plaintiffs based upon such reasonable royalty "would, together with attorneys' fees,[7] be adequate compensation

7. The reasonableness of the attorneys' fees and disbursements claimed were stipulated, but not their allowance.

for defendant's infringement". The $182,325.38 judgment entered for the plaintiffs represents such royalty and attorneys' fees.

[15] The plaintiffs contend that the court erred in not measuring their damages by defendant's profit from the sales of infringing devices computed without allowance of the deductions for cost to which objections were made. The defendant contends that on the facts and circumstances presented by the record an award of damages measured by its profit is not warranted. It further contends the court erred in allowing plaintiffs their attorneys' fees and disbursements—that the record does not show the "exceptional circumstances" requisite to the justification of such allowance,[8] nor did the court make a specific finding as to the existence of such circumstances. And that 35 U.S.C.A. § 288 precludes allowance of costs to plaintiffs.

[16] The statute governing damages in patent infringement cases, 35 U.S.C.A. § 284, in so far as here pertinent, provides:

> "Upon finding for the claimant the court shall award the claimant damages adequate to compensate for the infringement, but in no event less than a reasonably royalty for the use made of the invention by the infringer, together with interest and costs as fixed by the court."

[17] The statute prescribes a reasonable royalty as the minimum measure of damages. But it does not purport to restrict the allowance of damages measured by the infringer's profits where proof of such profits can be and is made, and where under the principles recognized in the decisions such measure of damages is otherwise

8. 35 U.S.C.A. § 285 provides: "The court in exceptional cases may award reasonable attorney fees to the prevailing party."

proper. In this connection we agree with the observation made in *Wm. Bros. Boiler & Manufacturing Co.* v. *Gibson-Stewart Co.*, 6 Cir., 312 F. 2d 385, 386, 136 USPQ 239, 240, to the effect that in such a case "if profits are susceptible of determination, no royalty should be awarded".

[18] The action of Congress in adding its sanction to the already judicially approved use of a "reasonable royalty" to measure damages for infringement (Cf. *Dowagiac Mfg. Co.* v. *Minnesota Moline Plow Co.*, 235 U. S. 641, 648), and establishing such measure as marking the minimum below which such damages should not fall, certainly evinces no intention to substitute "reasonable royalty" as an exclusive measure of damage. This is fully borne out by the record of the committee hearings[9] on the proposal to add the provision relative to reasonable royalty to 35 U.S.C. § 70, the section from which present § 284 is derivative.

[19] An infringer's profits are a traditional measure of damages. *Coleman* v. *Holly Mfg. Co.*, 9 Cir., 269 F. 2d 660, 663, 122 USPQ 559, 560-561. Such profits may be the measure of damages suffered, even though the statute does not prescribe that "profits" are to be recovered as such. *Graham* v. *Jeoffroy Mfg.*, 5 Cir., 253 F. 2d 72, 74, 116 USPQ 542, 543. But whether an infringer's profits are to be utilized as the measure of the "damages adequate to compensate for the infringement" to be awarded pursuant to § 284 must, in our opinion, depend upon the facts of the individual case. Cf. *Ric-Wil Co.* v. *E. B. Kaiser Co.*, 7 Cir., 179 F. 2d 401, 407, 84 USPQ 121, 126-127.

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9. Hearing on January 29, 1946 on HR 5231, House Committee on Patents, 79th Congress, 2d Session, pp. 7, 11, 17-19, 21. Senate Committee on Patents, Report No. 1503, July 14, 1946, 1946 U.S. Cong. Service, pp. 1386-7. And see: 94 Cong. Record 1857 (1946).

[20] Here the actual profits of the defendant were determinable and were evidenced by defendant's own accounting. Unless the nature of the case makes the employment of such measure of damages improper or inequitable it should apply. In its infringing choppers defendant employed the combination of Zysset. There is nothing in the record to support a claim that the marketable value of the infringing devices was attributable to some other feature, patented or unpatented. Thus there was no need to establish, as was the case in *National Rejectors, Inc.* v. *A. B. T. Mfg. Corp.*, 7 Cir., 188 F. 2d 706, 709, 89 USPQ 508, 511, where the infringing device incorporated other features licensed under other patents, what the Court there characterized as the "rarity" of the entire marketable value of the infringing device being solely attributable to but the one patented feature—the improvement of one of the parts of the mechanism, covered by plaintiff's patent—in order to justify an award of the defendant's entire profits to the plaintiff. That "[u]nder such circumstances, the entire profits belong to the plaintiff", does not limit the application of the rule to such situations nor militate against its application here.

[21] The District Court's rejection of profits as a measure of damages and its adoption of what it found from the evidence to constitute a reasonable royalty, which together with attorneys' fees, would provide "adequate compensation for defendant's infringement" appears to be predicated upon its finding, 134 USPQ 222, 229, that:

> "* * * [T]his is one of those rare cases in which an infringement has been a blessing in disguise; that only the skill, salesmanship and business acumen of defendant and its principal officer, Samuel Popeil, has brought a financial reward to the plaintiff in the form of a fortuitous windfall if this judgment is finally collected. * * *"

[22] The record does disclose that defendant was industrious in the pursuit of its infringing activities and through employment of demonstration techniques and a "sales pitch" sought to fully exploit the marketability of food choppers incorporating the combination features of the Zysset patent. But it took no skill to infringe, and it required no unusual business acumen to recognize the existence of a wide-spread market for such a household device and the possibility of profit inherent in its marketing. The inference that it was only the "salesmanship" of the defendant that enabled it to dispose of 3,152,578 infringing choppers for $2,981,464.70 during the period of its infringement of the Zysset patent is without substantial support in the record. Comparison of comparable production[10] periods of the defendant and New-Nel, the plaintiff-licensee, shows no great disparity in the sales of either. Moreover, when after February 12, 1960, the defendant altered its remaining stock of infringing choppers to make them non-infringing, and manufactured only non-infringing choppers, they were being given away with the purchase of one of defendant's other products, a salad maker.

[23] But, in any event, the defendant's financial "success" in reaping profit as an infringer does not in our opinion afford a basis for relegating the plaintiff to recovery of but the statutory minimum measure of damages—a reasonable royalty.

[24] From our examination of the record we conclude that the District Court erred in not awarding plaintiffs damages measured by defendant's profits from infringement. The court did make findings with respect to such profits. It is unnecessary to a proper consideration and

10. Defendant did cheapen the construction of its infringing choppers and by successive price reductions culminating approximately 50% achieved an increased sales volume.

disposition here that further findings be made. We need but consider whether the court in its computation of profits erred in allowing the deductions to which plaintiffs objected.

[25] The deduction allowed for expenses incurred by defendant for attorneys' fees and disbursements in this litigation was improper. *Graham* v. *Jeoffroy Mfg.*, 5 Cir., 253 F. 2d 72, 76, 116 USPQ 542, 545; *Oil Well Improvements Co.* v. *Acme Foundry & Machine Co.*, 8 Cir., 31 F. 2d 898, 900; Cf. *Computing Scale Co.* v. *Toledo Computing Scale Co.*, 7 Cir., 279 F. 648, 660, 677.

And the loss sustained by the defendant when it drastically reduced the price of its infringing choppers toward the termination of the infringement period was not a permissible deduction from the profits it had theretofore made. *Duplate Corp.* v. *Triplex Safety Glass Co.*, 298 U. S. 448, 457-458, 29 USPQ 306, 310; *Starr Piano Co.* v. *Auto Pneumatic Action Co.*, 7 Cir., 12 F. 2d 586, 589.

[26] The $109,192.44 which represents a proportionate allocation to the infringing products of the compensation paid to defendant's three corporate officers, who are the owners of the corporation, is not a permissible deduction. *Graham* v. *Jeoffroy Mfg.*, 5 Cir., 253 F. 2d 72, 76, 116 USPQ 542, 545; *Flat Slab Patents Co.* v. *Turner*, 8 Cir., 285 F. 257, 283.

[27] Adjustment of the defendant's profits, as found by the District Court on the basis of defendant's accounting statement, by the elimination of these three deductions which the court allowed over the objections of the plaintiffs, results in the profit figure $636,672.12. It is our conclusion that the plaintiffs are entitled to judgment for that amount.

The District Court's inclusion of plaintiffs' attorneys' fees and disbursements in the judgment it awarded was

not predicated upon a finding of "exceptional circumstances" justifying such an allowance under 35 U.S.C.A. § 285—but was ostensibly for the purpose of augmenting the award of damages computed on a reasonable royalty basis. We are of the opinion that the interest of justice do not require that we remand for a finding as to the existence of a basis for an award of attorneys' fees to plaintiffs.

[28] The question of costs is in our view mandatorily governed by 35 U.S.C.A. 288. That section provides:

> "Whenever, without deceptive intention, a claim of a patent is invalid, an action may be maintained for the infringement of a claim of the patent which may be valid. The patentee shall recover no costs unless a disclaimer of the invalid claim has been entered at the Patent Office before the commencement of the suit".

Plaintiffs' disclaimer of claim 1 was not filed until July 12, 1960, long after the commencement of this suit, and subsequent to the determination made by this Court on the appeal of the judgment of validity and infringement (276 F. 2d 354, 124 USPQ 250). In view of this the plaintiffs are precluded from recovery of costs in the District Court or upon these appeals. *Liquid Carbonic Co.* v. *Gilchrist*, 7 Cir., 253 F. 54, 58-59; *Gottschalk Mfg. Co.* v. *Springfield Wire & Tinsel Co.*, 1 Cir., 75 F. 2d 907, 908-909, 24 USPQ 423, 424.

[29] In Appeals Nos. 13939 and 13940, the judgment order of the District Court entered July 13, 1962, is reversed in so far as it awards damages and attorneys' fees and disbursements in the sum of $182,325.38, and costs; the cause is remanded to the District Court with instructions to vacate that portion of its judgment order of July 15, 1962, and with directions to enter judgment for

the plaintiffs in the sum of $636,672.12, without costs but with interest from the date of its entry.

In Appeal No. 14007, the judgment order of the District Court entered November 13, 1962, is affirmed.

Neither party is allowed costs in this Court in these appeals.